

tracking supermarket progress towards a fairer and greener food system

NEWS RELEASE

www.racetothetop.org

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HOW ETHICAL ARE OUR SUPERMARKETS? We can't tell you.

The **Co-op** has emerged as the leading UK supermarket in a wide-ranging study of supermarkets and sustainability. The Manchester-based Co-operative Group was best in class in six out of seven categories. **Safeway** showed leadership in the Environment category and performed well in other areas. **Somerfield** also demonstrated its commitment through an open willingness to be measured and monitored by its critics.

But the largest UK supermarkets have turned their back on constructive engagement in a project that has invested 3 years of time and effort to carve out a middle path between supermarkets and their critics.

"Supermarkets are now the main gatekeepers to the food-system, with the top five now accounting for 70% of the food retail market", said Deborah Doane of the New Economics Foundation. "The unwillingness of many of them to be measured openly on social and environmental impacts shows a complete disregard for public concerns around sustainable development. Their concentration of power must be matched by equal levels of accountability."

Race to the Top is the most exhaustive and wide-ranging survey into supermarkets and sustainability to date. The aim is to scrutinise each company's commitment to sustainable development, from energy usage and waste management, the treatment of its labour force, how it deals with farmers and farmworkers, measures to protect our countryside and wildlife, whether it promotes animal welfare, whether it contributes to public health goals, to how it supports local economies.

The groundbreaking project brought together 24 partner organizations, including environmental and wildlife groups, trades unions, farming organizations, consumer representatives, fair trade, public health and animal welfare groups. The project's Advisory Group included major investors in supermarkets.

Three retailers (the Co-operative Group, Safeway and Somerfield) took part in the 2003 data collection process. Iceland, Marks and Spencer and Sainsbury's participated in the development of the indicators and a confidential pilot round of data collection in 2002, but declined to submit data in 2003. Asda, Tesco, Waitrose and Morrisons chose not to participate.

"Supermarkets are coming under increasing scrutiny on issues of public concern," said Rob Lake, Head of SRI Engagement and Corporate Governance at Henderson Global Investors. "Investors need to be satisfied that these companies are meeting society's rapidly changing expectations on corporate responsibility. Race to the Top offered an effective way to do that. It is a shame leaders in the industry did not feel able to take part."

Vicki Hird, Policy Director of Sustain: the Alliance for Better Food and Farming, said, "Race to the Top showed how willing civil society groups are to meet industry half-way. We have made huge strides in understanding how food retailing impacts on local economies and, despite the disappointment of being let down by seven of the retailers, will continue to track their sustainability and let the public have the information they need to make informed choices." Phil Rothwell, Head

of Countryside Policy for the RSPB, said "Food production practices can have a major impact on the natural environment. Retailers are in a prime position to encourage their suppliers to adopt more sustainable production methods, to bring real benefits for wildlife. Race to the Top offers a great opportunity to showcase these efforts – what a shame so few took the opportunity to do so."

David Croft, Head of Co-op Brand and Technical, said "It is rewarding to have this independent review that supports the policy positions we at the Co-op have adopted, but there is also a broader question to be answered. Customers and shareholders of the major retailers who aren't taking part in this initiative should be asking the question: why? What have they to hide? No one retailer has all the answers, but by all working together on this initiative we can establish a framework of best practice."

Kevin Hawkins, Director of Communication, Safeway, said, "We have contributed to Race to the Top, despite the distractions arising from merger and related issues, because we believe that accountability to a wider public is an important part of our brand values."

Michaella Henderson, Assistant Company Secretary, Somerfield said, "We have enjoyed participating in Race to the Top. We know we have a lot to do but the initiative provided a good base against which to measure our current performance. Equally the opportunity to talk the issues through with the NGOs has influenced our thinking on these matters."

Rupert Howes, Director of Forum for the Future's Sustainable Economy Programme said, "RTTT offered the prospect of promoting a systematic shift towards sustainability within the whole UK food retailing sector. It is a tremendous pity for the sector that so few of the retailers were able to fully engage. However, I hope that individual retailers will continue to report against some of the indicators developed through this innovative collaboration."

Professor Tim Lang of City University said "Here was an example of civil society organising itself in a way that invited supermarkets to engage with some of their critics in a positive way. The Co-op, Safeway and Somerfield are to be commended for taking up this invitation and for opening themselves up to scrutiny. But the failure of Tesco, Asda and others to respond to this middle ground shows poor leadership. Tesco and Asda have only been willing to engage with the emerging corporate responsibility agenda on their own terms. And once it was clear that they weren't playing, there was little incentive for Sainsbury's, M&S or Iceland to stay on board."

Profiles of all supermarkets are available at <u>www.racetothetop.org/results</u>

FOR MORE INFORMATION CONTACT:

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NOTES FOR EDITORS:

 Race to the Top is a collaborative project based on constructive engagement between an alliance of organisations and the major UK multiple retailers. The top ten multiple retailers (Asda, Co-op, Iceland, Marks and Spencer, Morrisons, Safeway, Sainsbury's, Somerfield, Tesco and Waitrose) were invited to take part. We are seeking to measure and track what supermarkets are doing across a broad range of ethical issues. During the last three years, seven groups of indicators of supermarket performance have been developed:

- Environment
- Producers
- Workers
- Local Economies
- Nature
- Animals
- Health

Detailed information on the indicators and the results is available at <u>www.racetothetop.org</u>.

- 2. The project is coordinated by the International Institute for Environment and Development (IIED), an independent, non-profit research institute working in the field of sustainable development <u>www.iied.org</u>.
- 3. The project has involved 24 other partner organisations:
 - Sustain: the alliance for better food and farming
 - National Federation of Women's Institutes
 - Royal Society for the Protection of Birds (RSPB)
 - World Society for the Protection of Animals (WSPA)
 - Forum for the Future
 - WWF-UK
 - Department of Health Management and Food Policy, City University
 - New Economics Foundation
 - Council for the Protection of Rural England
 - Transport and General Workers' (Rural, Agricultural and Allied Workers) Union
 - British Independent Fruit Growers' Association
 - Marine Stewardship Council
 - Compassion in World Farming
 - Soil Association
 - Farmers' Link
 - Farm Animal Welfare Network
 - Traidcraft Exchange
 - USDAW (Shop, Distributive and Allied Workers) Union
 - Countryside Agency
 - Small and Family Farms Alliance
 - Transport2000
 - Marine Conservation Society
 - English Nature
 - Fairtrade Foundation
- 4. An advisory group of independent experts provides advice to the coordinators, as well as quality control. Members act in their personal capacity and do not represent the organisations with which they are affiliated.
 - Dr Richard Baines Royal Agricultural College
 - Chizom Ekeh National Consumers Council
 - Nicola Ellen CSR Strategy Manager, Safeway Stores
 - Tony Gould T&GWU Food and Agriculture Sector
 - Jim Howell DEFRA Food and Drink Industry Division
 - Professor David Hughes Imperial College
 - Rob Lake Henderson Global Investors
 - John Lampitt Farmers' World Network
 - Dr James Northen IGD
 - Andrew Simms New Economics Foundation
 - Anne Tallontire Natural Resources & Ethical Trade Programme, NRI

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